

Regular Session, 2010

SENATE BILL NO. 747

BY SENATOR JACKSON

FUNDS/FUNDING. Provides that applicants for Road Home grants who were denied because of unresolved succession/heirship issues be given a grant subject to a covenant restriction filed against the property. (gov sig)

AN ACT

To enact R.S. 40:600.66(C) and R.S. 49:220.10, relative to housing needs in declared disaster areas as a result of hurricanes Katrina and Rita; to provide with respect to Road Home Program applicants whose claims were denied because of unresolved succession and inheritance issues; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 40:600.66(C) is hereby enacted to read as follows:

§600.66. Powers and responsibilities of the Road Home Corporation and the Louisiana Land Trust

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**C. (1) Notwithstanding any other provision of law to the contrary, those Road Home applicants whose claims were denied because of unresolved succession or inheritance issues shall be awarded a Road Home grant, together with a covenant restriction filed against the property to reserve the rights of the Road Home Corporation, or its successor in interest, for any claims arising in favor of the Road Home Corporation against the applicant subsequent to the**

1       awarding of the grant. The covenant restriction shall be satisfied and removed  
2       upon the occurrence of either of the following:

3               (a) Upon signing of a judgment of possession in favor of the Road Home  
4       grant recipient subject to the covenant restriction.

5               (b) Upon sale or transfer of the property subject to the covenant  
6       restriction by the Road Home grant recipient in which the purchaser, heir, or  
7       beneficiary receiving the property executes a mortgage in favor of the Road  
8       Home Corporation, or secures a mortgage from a third party and repays the  
9       Road Home Corporation the amount of the Road Home grant received for the  
10       property.

11               (2) The Road Home Corporation, or its successor in interest, is  
12       authorized to investigate annually the ownership status of property subject to  
13       the provisions of Paragraph (1) of this Subsection, in order to protect its  
14       financial interest in the property improved with funds from the Road Home  
15       grant program.

16       Section 2. R.S. 49:220.10 is hereby enacted to read as follows:

17       § 220.10. Claims of certain Road Home Program applicants

18               A. Notwithstanding any other provision of law to the contrary, those  
19       Road Home applicants whose claims were denied because of unresolved  
20       succession or inheritance issues shall be awarded a Road Home grant, together  
21       with a covenant restriction filed against the property to reserve the rights of the  
22       Road Home Corporation, or its successor in interest, for any claims arising in  
23       favor of the Road Home Corporation against the applicant subsequent to the  
24       awarding of the grant. The covenant restriction shall be satisfied and removed  
25       upon the occurrence of either of the following:

26               (1) Upon signing of a judgment of possession in favor of the Road Home  
27       grant recipient subject to the covenant restriction.

28               (2) Upon sale or transfer of the property subject to the covenant  
29       restriction by the Road Home grant recipient in which the purchaser, heir, or

beneficiary receiving the property executes a mortgage in favor of the Road Home Corporation, or secures a mortgage from a third party and repays the Road Home Corporation the amount of the Road Home grant received for the property.

B. The Road Home Corporation, or its successor in interest, is authorized to investigate annually the ownership status of property subject to the provisions of Subsection A of this Section, in order to protect its financial interest in the property improved with funds from the Road Home grant program.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Thomas F. Wade.

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#### DIGEST

Proposed law provides for those Road Home applicants whose claims were denied because of unresolved succession or inheritance issues, and provides for the awarding of a Road Home grant, together with a covenant restriction filed against the property to reserve the rights of the Road Home Corporation, or its successor in interest, for any claims arising in favor of the Road Home Corporation against the applicant subsequent to the awarding of the grant.

Provides that the covenant restriction shall be satisfied and removed upon the occurrence of either of the following:

- (1) Upon signing of a judgment of possession in favor of the Road Home grant recipient subject to the covenant restriction.
- (2) Upon sale or transfer of the property subject to the covenant restriction by the Road Home grant recipient in which the purchaser, heir, or beneficiary receiving the property executes a mortgage in favor of the Road Home Corporation, or secures a mortgage from a third party and repays the Road Home Corporation the amount of the Road Home grant received for the property.

Proposed law further provides that the Road Home Corporation, or its successor in interest, is authorized to investigate annually the ownership status of property subject to the provisions of proposed law, in order to protect its financial interest in the property improved with funds from the Road Home grant program.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 40:600.66(C) and R.S. 49:220.10)